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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

LEHMAN BROTHERS, INC.,

Case No.: 08-01420 (SCC) SIPA

Debtors.

(Jointly Administered)

**LILITH VENTURES LTD.'S RESPONSE TO TRUSTEE'S ONE HUNDRED NINETY-
FOURTH OMNIBUS OBJECTION TO GENERAL CREDITOR CLAIMS**

Lilith Ventures Ltd. ("Lilith") by and through undersigned counsel hereby files its Response to Trustee's One Hundred Ninety-Fourth Omnibus Objection to Claims (the "Objection to Claim") and in support thereof states as follows:

1. On or about January 27, 2009, Lilith filed a General Unsecured Proof of Claim (the "Claim") in the amount of \$252,305.40, Claim Number 2162.

2. On January 21, 2014, Trustee filed its One Hundred Ninety-Fourth Omnibus Objection to Claims which objects to Lilith's Claim.

3. Trustee objects to Lilith's Claim on the basis that there is no legal or factual justification for asserting a claim against Lehman Brothers, Inc ("LBI") and that the claimed securities were not issued or guaranteed by LBI.

4. However, attached to the claim at issue are statements from Lilith's Global Investment Management Account (the "Account") held at LBI reflecting holdings by Lilith in

Lehman Bro Hld CP TR III (LEHKQ) ("LBH") purchased by Lilith and representing a majority of the value in the Account, specifically, \$252,305.40 at the time of the loss.

5. As a FINRA-registered broker-dealer organization, LBI and the individuals employed by LBI, owed Lilith a fiduciary obligation to recommend and purchase suitable investments that were in line with client's best interests and needs. By re-steering the investment objective and risk tolerance of the Account's investments to an investment in an affiliate, LBI omitted material facts pertaining to the risks involved in purchasing holdings in LBH, and breached its fiduciary obligation to Lilith.

6. LBI was clearly negligent in making grossly unsuitable transactions. Indeed, LBI's actions (and inaction) in advising Lilith of the impending insolvency of LBH and may have been even more than merely negligence. LBI intentionally placed Lilith at risk for the greater good of the LBI and its affiliate, LBH, for the benefit of its retail business and for the fees, commissions, profits derived therefrom.

7. The purchases by Lilith of interests in LBI were unsuitable as they were inconsistent with Lilith's objectives and LBI knew or should have known the investment was inappropriate, when LBI, through its employees recommended the purchase of such interests. Moreover, LBI, through its Agents, made material misrepresentations concerning facts and omitted other material facts, in conjunction with the sale of the interests in LBH, including misrepresenting the level of risk associated with the strategy of purchasing such interest in LBI's affiliate. LBI knew the transaction was inappropriate but specifically, and perhaps, knowingly, and intentionally withheld this material information from Lilith. Yet, LBI made these representations with the intent to induce Lilith to act upon them and purchase the interests in

LBH upon which Lilith reasonably and justifiably relied to its detriment. This directly and proximately caused financial damage to Lilith of \$252,305.40.

WHEREFORE, Lilith Ventures, Ltd. respectfully requests that the Court enter an Order overruling the Trustee's Objection and allowing Lilith Ventures, Ltd.'s claim number 2162 in full and any other further relief the Court deems just and proper.

Dated: March 14, 2014

HALPERIN BATTAGLIA RAICHT, LLP

By: /s/ Neal W. Cohen
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-and-

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